

County of Loudoun
Department of Planning
MEMORANDUM

DATE: July 5, 2007

TO: Loudoun County Planning Commission

FROM: Cindy Keegan, AICP, Project Manager
CPAM 2007-0001, Housing Policies



SUBJECT: Information for July 9, 2007 Worksession

In preparation for the upcoming Worksession on CPAM 2007-0001, Housing Policies, attached are draft policies that reflect the Commission's revisions to date (Attachment 1). Please note these revised policies include suggested changes by the CPAM 2005-0004, Redevelopment/Revitalization Subcommittee (Volpe Subcommittee). Also attached are draft definitions the Volpe Subcommittee requested that may be of interest within the context of the housing policies discussions (Attachment 2).

A staff report for the July 16th Public Hearing will be sent to the Commission on July 11th that reflects the Commission's July 9th Worksession discussions/revisions.

Members of the Housing Advisory Board and County staff will be in attendance at the Worksession and Public Hearing to provide technical assistance to the Commission.

Staff has received one public comment letter since the June 11th Worksession (Attachment 3).

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**Proposed Changes to the Housing Policies
of the Revised General Plan (Chapter 2, pp. 2-12 to 2-15)**

Key:

- Double underlined, **red color**, new text
- Strike-through, **blue color**, deleted text
- **Yellow Highlight**; revised policies, Redevelopment/Revitalization Subcommittee
- **Gray Highlight**; staff revised policies per Commission request, June 11, 2007

Housing

The County's primary housing objective is to assure that existing and future County residents and the workforce are served by a range of housing opportunities. An adequate supply of varied types of housing, both rental and for-sale, in convenient locations throughout the County is a fundamental ingredient of an enduring community. The creation of sustainable housing-its design, density, location, and performance-requires that the pattern of residential development ~~its design, density, location, and performance~~ benefit the user now and over time. ~~The primary housing objective is to assure that all existing and future County residents can be served by a range of housing opportunities.~~ To accomplish this objective, ~~purpose~~, a diversity of housing types in a broad range of prices should be provided. Housing opportunities should ~~must~~ be available in all areas of the County. Housing for special needs populations incorporating a programmatic approach also should ~~must~~ be furnished.

The supply of single-family detached, attached and multi-family housing (~~unit types and prices~~) and their pricing is largely a function of market dynamics. The residential market ~~plays the primary role in~~ determines the type of housing to be constructed, based upon ~~regional~~ demands for specific housing types and the potential return on investment for the developer. ~~If supply for a particular housing product is constrained and demand for that product is high, then prices will increase. If there is anticipation that the supply of a desired product may become constrained in the future, prices will also increase. If the price becomes too high, substitution may occur through selection of a different housing type, or shift to an alternative market.~~ Loudoun's experience is that the market alone cannot meet all areas of housing need given current and projected job growth for the regional economy. Unmet housing needs occur across a broad segment of the County's income spectrum. The County defines unmet housing needs as the lack of housing options for households that are unable to rent or purchase due to insufficient incomes to meet current market prices. Housing diversity in type and price to address unmet needs will enhance Loudoun's economic vitality and the health of the community now and over time.

~~Housing production involves "hard" and "soft" costs. "Hard" costs include the purchase price of land, site preparation and construction and marketing the product. The "soft" costs include financing, construction loans, bonds for site preparation, settlement costs related to the sale of the product, governmental~~

~~fees, permits, proffers, and amenities. These costs are passed on to the consumer of the product.~~

As total demand for housing in Loudoun has increased over the past ~~four years~~ fifteen years, ~~townhouse and condominium~~ single-family attached and multi-family units have gained a greater share of the for-sale market, while single-family detached homes and lots have accounted for a decreasing share. In 1990, single-family detached units represented ~~65% percent~~ 54% of the County's housing stock, whereas single-family attached units constituted ~~19% percent~~ 27% and multi-family units constituted ~~14% percent~~ 49%. By 2000~~5~~, single-family detached units represented ~~54% 56 percent~~ 56 percent of all homes; single-family attached units ~~25 percent~~ 27 percent, and multi-family units, ~~19% percent~~ 19 percent. By 2000~~5~~, single-family detached homes units and lots accounted for only ~~50 percent~~ 49 percent of sales, compared to ~~58% percent~~ 58 percent of sales in 1990. ~~The increased market share of the townhouse and condominium products as mentioned earlier is linked to the strong employment growth in and around the County. These additional jobs create demand from additional households, many of which are seeking a smaller and more affordable housing unit than a detached home. Increased employment growth in and around the County will attract a larger percentage of renter households than in the past, although it is still projected that 80 percent of new household growth in Loudoun over the next twenty years will be homeowners.~~ Although the types of housing offered in the market are diversifying, housing costs are high and the shortage of affordable housing for residents and the workforce is growing.

The County can influence ~~the housing market~~ housing options and affordability by encouraging or requiring a clustered pattern of development and mixed-use communities ~~requiring~~ with a diversity of housing types. To achieve this, the County ~~can~~ should allow higher residential densities that are close to employment and town centers, where adequate water, sewer, roads, schools, open space, and recreation are, or will be in place. In and of themselves, increased densities are not the only answer to influencing the market. Flexibility in lot sizes and setback requirements, and a relaxation of use restrictions ~~and~~ programmatic options are also necessary to achieve the desired product mix. The County can ~~also allow~~ permit accessory and second-story apartments in existing villages and rural clusters and provide for a variety of unit types to be developed in designated Joint Land Management Areas (JLMAs) around the towns that have them. The County can form public-private partnerships to implement programs, providing incentives to influence the market.

A. Affordable Housing Affordability

Housing affordability has long been an issue in the Washington, D.C. metropolitan region ~~housing market~~. Affordability becomes a problem when ~~housing prices~~ the cost of housing exceeds an acceptable percentage of a household's disposable income. ~~When confronted by high housing prices~~

~~relative to household incomes, h~~Households that are determined to reside in the metropolitan area can either pay a disproportionately ~~large~~ amount of their income to secure housing, or pay less ~~and secure~~ for lower quality or less adequate housing. ~~The Board of Supervisors, i~~n developing Loudoun County's approach vision for its residents, the Board of Supervisors has recognized affordable housing as an economic, transportation, and quality-of-life issue. ~~As is the case in the region, w~~While the County is providing a significant share of ~~its~~ the region's housing, prices and rents are at a level that is too costly for many ~~workers of Loudoun' workforce~~. Workers filling jobs in Loudoun often live in other jurisdictions and generate traffic on local roads as they ~~travel~~ commute to work-increasing air pollution and gas consumption. Some housing units contain multiple families or additional occupants, resulting in overcrowded conditions which adversely affect neighborhoods and quality of life. The lack of affordably priced housing also has an impact on the continued ability to attract and retain a diversified employment base.

B. Unmet Housing Needs

The County's affordable housing policies focus on the unmet housing needs of all Loudoun's citizens and workers. The market is not meeting all areas of need given the County's vibrant economy and location in the region. The County's housing strategy gives guidance to the development of a variety of programs that address Loudoun-specific needs as identified through systematic audit, evaluation, and study. The County has identified that, within the broad spectrum of housing need, different levels of effort and varying approaches must be applied in order to effectively address the problem of housing affordability.

Providing housing for low-income residents (less than 30% AMI), elderly residents requiring congregate care, disabled residents, and the homeless often requires heavy subsidies, which have historically been provided by the federal and state governments. Given the reduction of federal and state assistance, the County is committed to identifying resources to replace that assistance as well as encouraging the formation of public and private partnerships to support the development of housing for people who are elderly, disabled, or living on very low incomes.

To address the unmet housing needs of Loudoun's workforce earning 30% to 100% AMI, a combination of loans, regulations, and incentives should be applied. One important program is the Affordable Dwelling Unit (ADU) program. In 1990, the Board of Supervisors adopted a definition for "affordable" housing to include This program, adopted in 1993 as part of the Zoning Ordinance is based on state enabling legislation, and aimed at fulfilling the housing needs of County residents with incomes from 30% percent to 70% percent of the County's median household income AMI.

~~Generally, rental units should house residents earning 30% to 50% of the County's median income AMI. The units should be available at annual prices equal to and priced at 30% percent of income (exclusive of utilities). Generally, these residents with incomes at ADU for-sale units are designed to serve residents with incomes of 50% percent to 70% percent should be able to purchase housing AMI. For-sale units should be available at 2.5 3 times that income. As important as this program is to providing affordable housing to County residents, it has not been able to keep pace with the growing demand. In addition, there are deficiencies in the implementation of the ordinance that lessens its effectiveness to secure affordable housing for households in the lower range of the ADU program. This program alone cannot meet the need.~~

~~Building on the commitments to and definition of affordable housing, the County has adopted ordinances and programs focused on the actual production of affordable units. By developing the Affordable Dwelling Unit (ADU) Ordinance and program in 1993, the County took advantage of state enabling legislation that allows a locality to mandate the construction of dwelling units in an affordable price range to ensure a variety of housing prices in the market. The program requires that construction and continued existence of dwelling units that are affordable for purchase or rent in accordance with the Board's definition of affordable for the Primary Metropolitan Statistical Area (PMSA).~~

~~The County should establish a housing trust fund with a dedicated source of revenue to leverage federal, state, and other funding sources for the production of new units, to provide down payments for first-time homebuyers and to purchase land for affordable housing development. Part of tThe affordability issue also includes developing strategies to retain preserve the existing supply of owner-occupied housing and the existing supply of subsidized affordable rental units. As such, the Plan recommends other programmatic initiatives aimed at revitalization, renovation, and restoration of the existing housing stock, development of provisions to allow manufactured housing as an option, and that the government plays a larger role in the provision of housing opportunities the commitment of County government to play a greater role in address unmet housing needs.~~

B. Housing for Special Needs Populations

~~Special populations include low income residents (incomes below the 30 percent affordable minimum), elderly residents requiring congregate care, disabled residents, and the homeless. The provision of housing for these populations often requires heavy subsidies, which have historically been provided by the federal and state governments. Given the reduction of federal and state assistance, the County is committed to the formation of public and private partnerships to support the development of housing for people who are elderly, disabled, or living on very low incomes.~~

Housing Policies

The following policies apply to all housing defined as households earning up to 100% of the Washington Metropolitan Area Median Income (AMI).

Guiding Principles Policies

1. The County seeks to promote housing options for all people who live and/or work in Loudoun.

2 County policies and programs will focus on the unmet housing needs of households earning up to 100% of the Washington Metropolitan Area Median Income (AMI) that being as that is the area of greatest need.

3. The County will regularly examine and estimate unmet housing needs and housing programs will be evaluated for their effectiveness in addressing those needs.

4. Housing that is developed to fulfill unmet housing needs should generally be located near existing or planned employment opportunities centers, schools, communities centers, transit routes, and other amenities.

5. The County is committed to bring all existing substandard affordable housing that lacks indoor plumbing and operational septic and water systems, and major system repair (new roofs, heating and cooling systems) up to current health and safety standards safe and livable conditions.

2.6. The County encourages a variety of housing types, sizes and innovative designs to be developed in mixed-use communities to assist in achieving affordable housing goals. fulfilling unmet housing needs throughout the County.

3.7. The County will require a mix of housing options appropriately located in communities to support a balanced development program.

6. The maintenance, conservation, redevelopment and improvement of existing residential development will be preferable development tools vs. new development on formerly non-residential land.

~~11. The County will seek state enabling legislation to eliminate the exemption from the ADU Ordinance of buildings with elevators that are four stories or higher.~~

~~10. The County endorses the formation and operation of a not-for-profit housing corporation to deliver affordable housing units that meet the Board of Supervisors' definition of affordable for sale and for rent units and provide for the housing needs of special populations.~~

20.8. The County will encourage the formation of public and private partnerships to develop ment of housing for special needs populations (as defined in the Glossary) that are integrated within existing and planned residential communities, particularly in areas within walking distance of convenience shopping and employment opportunities, transit, and other amenities.

22.9. The County will promote the formation of public and private partnerships for the provision of an affordable range of housing types throughout the County, ~~to address the needs of lower income families by facilitating the private provision of this housing in the County's regulations and by assisting in the utilization of state and federal programs.~~

23.10. The County will promote the formation of public and private partnerships for the provision of an affordable range of housing types throughout the County to address the needs of lower income families by and ~~facilitating~~ the private provision of this housing in the County's regulations and by assisting in the utilization of state and federal housing programs.

11. The County supports the development of housing and of communities that apply universal design principles.

12. The County encourages development that utilizes energy efficient design and construction principles, promotes high performance and sustainable buildings, and minimizes construction waste and other negative environmental impacts.

Housing Supply Policies

4.1. The County will identify options for addressing ~~affordable housing development~~ unmet housing needs in the ~~Transition Policy Area~~ not covered by the ADU zoning ordinance and work toward an implementation plan.

7.2. The County will encourage preservation by adaptive re-use of existing ~~rural farm~~ unused, or underutilized structures throughout the County, ~~such as barns,~~ for the development of affordable dwelling units, as defined in the Zoning Ordinance and in accordance with the policies in the *Revised General Plan*.

Cooperation Policies

1. The County will initiate a regional cooperative effort with neighboring jurisdictions to establish a dialogue and programs to address the provision of a healthy balance of jobs and housing in each jurisdiction.

5.2. The County will provide technical planning expertise and financial support to the Towns to assist them in establishing redevelopment and revitalization programs that provide affordable housing. Such programs might include a revitalization tax program, housing rehabilitation, the development of regulations that allow for a broad range of housing types and sizes and upper story residential uses over stores, etc.

15.3. The County will work in partnership with nonprofit, public and private sector ~~and not-for-profit~~ entities agencies committed to the provision of a wide range of ~~affordable~~ housing opportunities by offering technical and financial assistance.

Funding Policies

13.1. Developers of residential and mixed-use projects are encouraged to include ~~affordable housing~~ proffers funding commitments to fulfill unmet housing needs in their development proposals.

~~14.2.~~ The County will ~~maintain~~ **establish a housing trust fund** ~~to provide a~~ ~~stable, broad-based funding source for affordable housing initiatives.~~ The ~~housing trust fund can be used to leverage federal, state, and other funding~~ ~~sources, provide down payments for first time home buyers, to purchase land~~ ~~for the development of affordable housing, for construction gap financing, and~~ ~~rental assistance, etc.~~ through with a dedicated revenue source such as a portion of the County property tax or the recordation tax, to address unmet housing needs. The fund will be evaluated annually to determine its effectiveness and efficiency.

Programs and Incentives Policies

1. The County will encourage the creation of programs, tools and incentives both publicly and privately developed that will fulfill unmet housing needs.

~~12.2.~~ The County ~~may~~ **will** provide ~~special~~ incentives to stimulate the development of new housing projects when the applicant demonstrates the capacity to ~~e~~**a**ffect economic efficiencies in producing and sustaining **affordable** rents and ~~or~~ sale prices **over time** ~~that meet the County's adopted definition of~~ ~~affordable.~~

~~17.3.~~ The County ~~may~~ **will** **adopt or** develop and implement an employer-assisted housing program to help meet workers' housing needs.

~~18.4.~~ The County ~~may~~ **will** ~~develop and implement~~ **a** revitalization tax **incentives and/or loan** programs **for** housing rehabilitation to conserve existing affordable housing.

5. The County may ~~will~~ ~~consider~~ **establish additional a process for** **establishing incentives, such as** ~~which would might include~~ **density bonuses or** **transfers;** **expedited application review;** **reductions or waiver of permit,** **development, and infrastructure fees or capital facilities contributions;** **tax**

abatements; and zoning modifications to meet annual housing goals and objectives.

6. The County will develop and maintain an the inventory of publicly owned land that could be suitable for residential use and development to address unmet housing needs. Priority on the use of this land should be given to special needs housing and households at less than 70% of area median income and the Board of Supervisors may consider the use of some of it by nonprofit, public and private sector entities as an incentive for residential development to meet unmet housing needs when it is consistent with other Plan policies. In using public land, the housing priority on the use of this land should be given to special needs housing and households at less than 70% of area median income.

7. The County promotes the recognition of good design and innovation in affordable housing by the Design Cabinet, County programs, and other channels.

Legislation Policies

8.1. The County requires that for land development applications proposing development of 50 or more dwelling units with a density greater than one dwelling unit per acre, located in an approved sewer service area, a percentage of the total number of dwellings will be developed as affordable units and given an appropriate density increase. ~~The County will determine an average annual affordable housing production level by evaluating the affordable home ownership and rental needs of the projected population as relates to the County's fiscal capability to provide public services to new residential development.~~

9.2. The County will seek state enabling legislation to allow for the provision ~~require the development~~ of affordable dwelling units as part of in ~~developments~~ less than 50 units. as well as buildings four stories or greater with elevators.

10.3. The County will strengthen ADU Program regulations to do as much as the state code allows to require the development of affordable housing that is interspersed within neighborhoods, communities and throughout the County as a part of new development.

~~16.4. The County will establish a Housing Authority as provided for by the State Code to develop new affordable housing, rehabilitate housing, and revitalize community infrastructure. Until such time as a Housing Authority is established to develop new affordable housing, rehabilitate housing, and revitalize community infrastructure, the County encourages the Industrial Development Authority to exercise its authority to assist with tax exempt bond financing, leverage gap financing and stimulate cooperative partnerships toward the preservation and production of housing to address unmet needs.~~

24.5The County will amend the Zoning Ordinance to expand the number of districts where manufactured housing, accessory units, and other alternative housing types are allowed.

TO BE ADDED TO THE GLOSSARY

Special Needs Population:

Special needs populations include low income residents (incomes below the 30 percent affordable minimum), elderly residents requiring congregate care, disabled residents, and the homeless. The provision of housing for these populations often requires heavy subsidies, which have historically been provided by the federal and state governments.

Universal Design:

The simple design of both products and the built environment to be usable by people of all ages and abilities, and which promotes the ability for people to age in place.

Unmet Housing Needs:

Households earning up to 100% of the Washington Metropolitan Area Median Income (AMI).

DRAFT Definitions of Redevelopment & Revitalization
CPAM 2005-0004, Eminent Domain and Protection of Existing Communities

(To be inserted into Revised General Plan, Glossary)

REDEVELOPMENT

A change in land use to a more intense use that results in a higher and best use of the property. Redevelopment options range from development of vacant land and infill to replacement or removal of existing structures. Redevelopment should be compatible with adjacent properties and occur with input and involvement from the community.

Sources:

A Planners Dictionary, American Planning Association (APA), April, 2004.

The Latest Illustrated Book of Development Definitions. Moskowitz, Harvey S. and Carl G. Lindbloom. 2004.

REVITALIZATION

Re-establishing the economic and social vitality of an existing neighborhood or area through legislation, tax incentives, and other programs that maintain and enhance the existing development pattern and preserve the original building stock and historic character.

Source:

A Planners Dictionary. American Planning Association (APA), April, 2004.

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Cynthia Keegan - Employer-Assisted Housing

From:

To:

Date: 6/22/2007 4:28 PM

Subject: Employer-Assisted Housing

Dear Ms. Keegan: Some recent revisions of the County's housing policies have been brought to my attention. As I understand those revisions the County has some interest in re-invigorating its employer-assisted housing program.

As the coiner of the phrase, "employer-assisted housing" I have worked with many public, private and nonprofit organizations to create innovative employer-assisted housing products and programs during the last two decades. I now have a national consulting practice that works with employers, labor unions, government and other intermediaries to create customized programs and civic partnership programs that can be offered to multiple employers within a community.

If I can be of any assistance to Loudoun County, I would appreciate the opportunity to work with the County and the local housing community. Please feel free to review my web site **EAHousing.com** for more information about this housing strategy and ways in which I might be able to be of help.

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EAHousing.com

See what's free at AOL.com.

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